Qatar Real Estate Market Review

Knight Frank

Summer 2025

A biannual review of key trends and the performance of Qatar's real estate market

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Residential sales market

Qatar's residential real estate market stabilised during Q2 2025, following an extended period of subdued activity after the FIFA 2022 World Cup. The market had previously been weighed down by an oversupply of units coupled with elevated interest rates, which stood at 6.25%, a considerable increase from 3.9% in 2021. However, recent data points to a shift in momentum, with both transaction volumes and values posting strong year-on-year growth.

The total value of overall residential transactions in Q2 2025 reached QAR 9.23bn, representing a 114% increase compared to the same period last year. A total of 1,844 residential sales were recorded, signalling a marked improvement in market activity. Doha, Al Daayan, and Al Wakrah were among the best-performing municipalities. Doha alone recorded QAR 3.85bn worth of transactions, up 126% year-on-year, while Al Daayan and Al Wakrah posted increases of 164% and 127%, respectively.

Residential land sales also experienced robust growth. Land transactions reached a total value of QAR 2.16bn across 598 deals, up 85% year-on-year. Significant gains were observed in Umm Salal, where land sale volumes increased by 218%. Doha and Al Wakrah followed closely with annual growth rates of 134% and 102%, respectively. These figures indicate renewed investor interest in land plots, possibly driven by long-term development prospects and relative affordability in emerging areas.

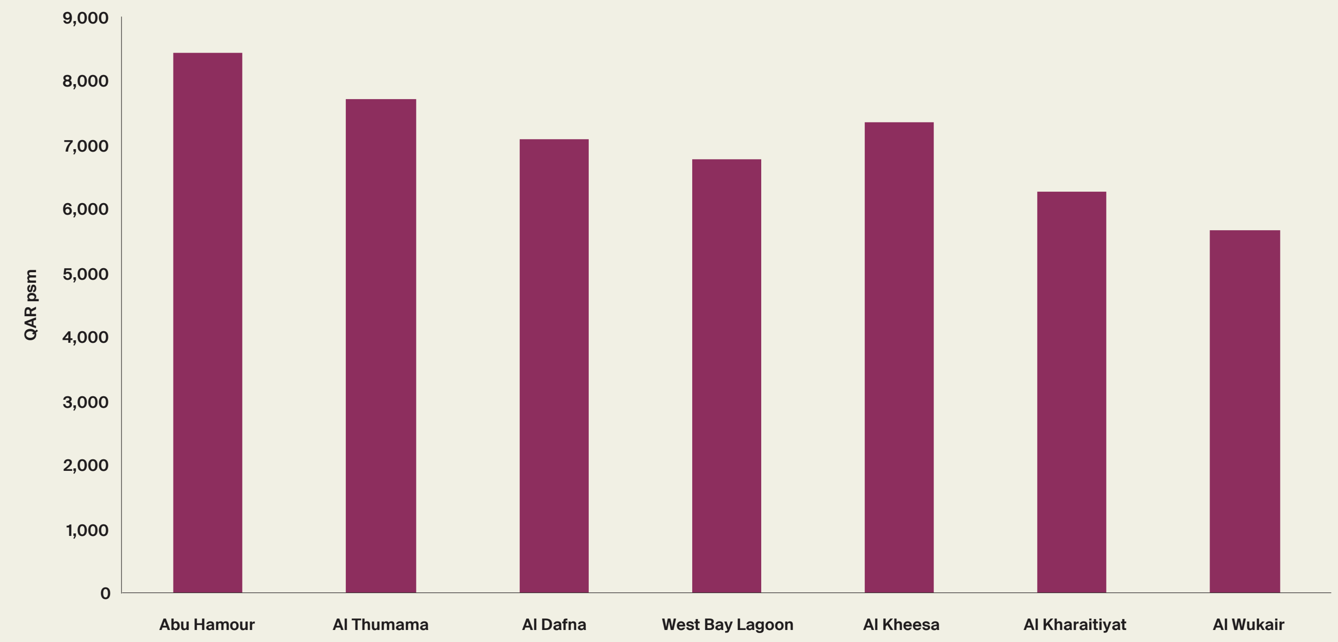
In terms of property values, villas experienced a moderate decline, with average prices dropping by 4% year-on-year to QAR 6,745 psm. Among the key districts, Abu Hamour recorded the highest average villa price at QAR 8,434 psm, while Al Wukair remained the most affordable option at QAR 5,667 psm. This reflects a 37.8% price differential, largely attributed to variations in villa sizes, infrastructure, and perceived location quality.

Conversely, the apartment market showed signs of strength, with average sales prices increasing by 3.5% year-on-year to QAR 13,270 psm. The most expensive apartments were located in Lusail's Waterfront district and Viva Bahriya on The Pearl Island, with prices reaching QAR 15,131 and QAR 14,987 psm, respectively. At the other end of the price spectrum, Porto Arabia registered the lowest average apartment price at QAR 11,696 psm, offering relatively accessible options within a prime waterfront setting.

In summary, while challenges such as high interest rates and legacy oversupply remain, Q2 has seen a positive shift in Qatar's residential market dynamics. The increase in transaction volumes, rising apartment values, and strong land sales activity suggest growing confidence among investors and end-users. As the flow of new stock slows and infrastructure investments continue, particularly in Lusail and surrounding zones, we anticipate a gradual recovery in the medium term, notwithstanding any potential impact from the regional tensions in late June, which may yet materialise in the data over the summer months.

Longer term, with plans underway by the authorities to submit a bid for the 2036 Summer Olympic Games, there may yet be further national infrastructure investment, which will sustain economic growth over the medium to long term and inject additional positive momentum into the economy.

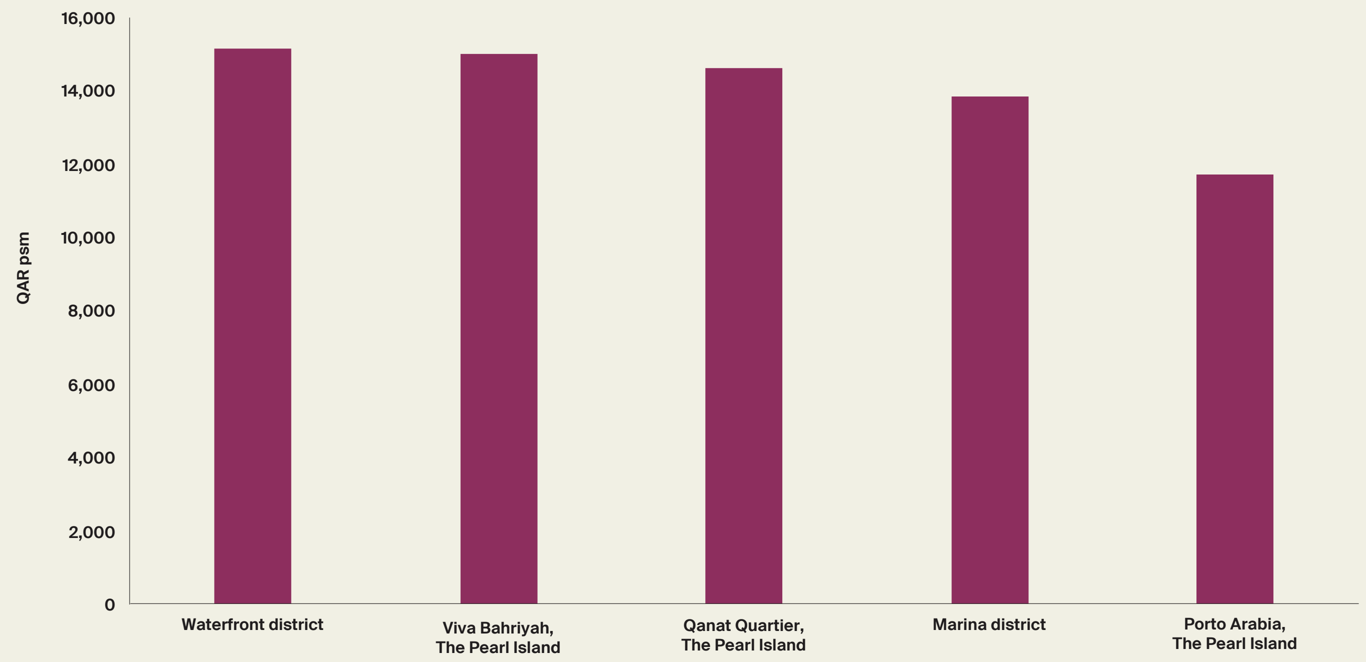
Average villa sales prices



Source: Knight Frank

- Over the last 12 months, average villa sales prices declined by 4% and stand at QAR 6,745 psm.

Average apartment sales prices



Source: Knight Frank

- Average sales prices for apartments increased by 3.5% year-on-year, to QAR 13,270 psm.

Residential leasing market

Qatar's residential rental market continued to reflect mixed performance during the first half of 2025, mirroring the trends observed in the sales sector. Average villa rents have fallen by approximately 7% over the last 12 months, with current monthly rates averaging QAR 13,360. The decline is primarily attributed to weakened demand from expatriate families and Qatari nationals, many of whom are shifting toward more centrally located or amenity-rich neighbourhoods that have become more affordable.

Within the villa segment, Nuaija and Umm Salal saw the steepest declines in rental rates, dropping by 10% and 8%, respectively, over the last 12 months. In contrast, premium villa locations such as West Bay Lagoon sustained relatively high rents, particularly for larger units. Five-bedroom villas in this area are still commanding monthly rents above QAR 25,000, underscoring the resilience of upscale suburban communities.

Similarly, the apartment rental market also experienced downward pressure, with average rents declining by 5% year-on-year to an average of QAR 10,236 per month. The downturn is more pronounced in mid-range locations such as Fox Hills, where supply continues to outpace demand. However, a two-tiered market dynamic has emerged.

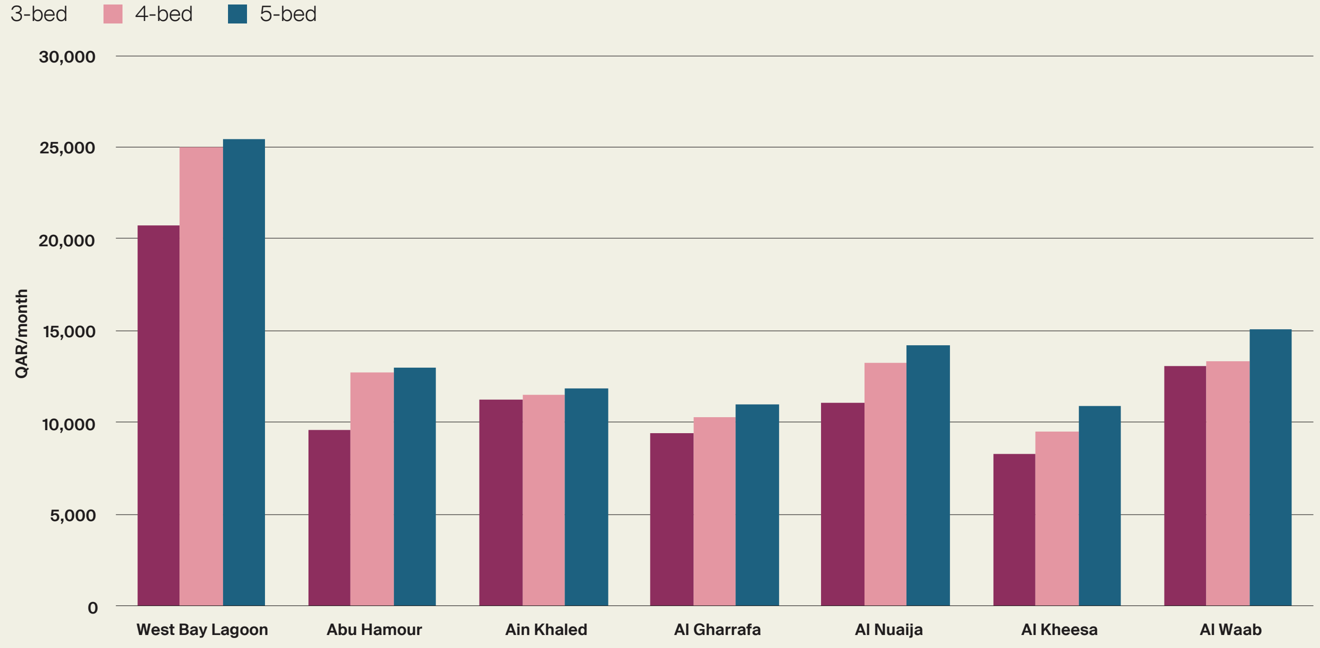
High-end apartments in districts like The Pearl Island, West Bay, and Waterfront district have managed to sustain rental levels, supported by steady demand from working professionals and white-collar executive tenants. For example, average three-bedroom apartments on The Pearl Island are leasing for QAR 15,592 per month, while similar units in Waterfront district command monthly rents of QAR 12,999.

Despite the ongoing challenges, there are signs of optimism. Government-led infrastructure investments, including the expansion of the Doha Metro and new public bus routes, are expected to improve mobility and accessibility across the capital. This could make newly connected districts more attractive to tenants, and therefore, positively influence rental demand.

In summary, while rental rates remain under pressure due to oversupply and shifting tenant preferences, policy-driven urban improvements and stabilising demand in premium segments suggest the emergence of a more balanced market in the months ahead.

Central square in the Medina Centrale district on the Pearl in Doha

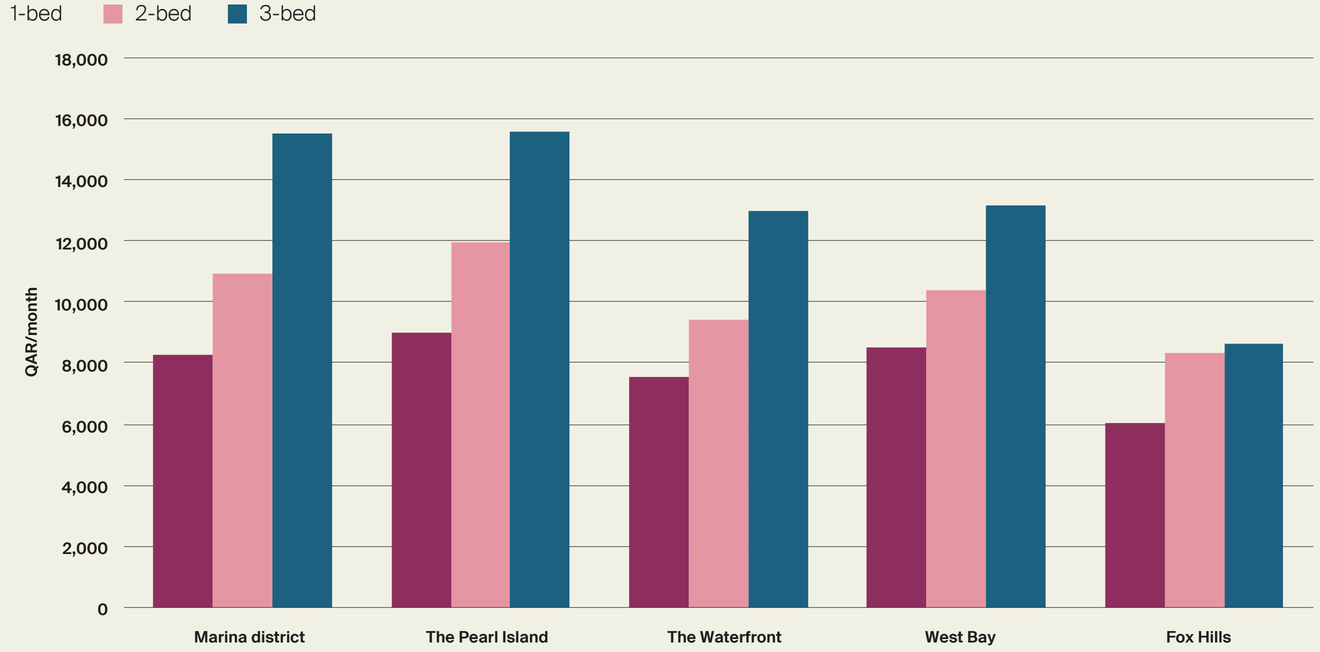
Average villa lease rates



Source: Knight Frank

- Rental rates for villas fell by 7% over the last 12 months and currently average QAR 13,360 per month.

Average apartment lease rates



Source: Knight Frank

- The average apartment rental rate declined by 5% over the last 12 months and stands at QAR 10,236 per month.

Commercial market

Office Market

The Qatari office market has remained relatively stable over the past 12 months, underpinned by steady demand from the public sector and a growing preference for high-quality, modern office space. Average Grade A office rents currently stand at QAR 82 psm per month, with top-tier districts such as West Bay – Prime and Lusail commanding higher rates.

The public sector continues to drive office demand, with large occupiers such as Qatar Investment Authority, Qatar National Bank, and Ooredoo expanding their footprint. This sustained demand has resulted in upward pressure on rents in Lusail, where monthly office rents in prime locations have increased by 3.5% over the past 12 months, reaching up to QAR 115 psm in some areas.

West Bay, once the most dominant business hub, is witnessing a gradual relocation of major public and quasi-public tenants to Lusail, where newer buildings offer enhanced amenities and energy efficiency. Nevertheless, West Bay – Prime buildings remain in demand and are achieving rents of up to QAR 109 psm, compared to the average across the district of QAR 80 psm. In contrast, more secondary stock in West Bay and C/D Ring Road is facing rising vacancy and downward pressure on rents, with the latter averaging just QAR 70 psm.

The private sector is also contributing to sustained leasing deal activity, particularly financial institutions and tech firms, which are favouring modern, flexible, and sustainable workspaces. This demand is translating into rising interest in serviced offices and co-working space, especially from startups and SMEs seeking shorter lease terms and adaptable layouts.

Looking ahead, demand is expected to continue shifting toward buildings that meet green certification standards, support hybrid working models, and offer smart building technology. This trend mirrors global preferences for ESG-compliant office environments and is likely to widen the rental performance gap between modern and legacy office stock across Doha.

Retail Market

Qatar's retail sector continues to experience a phase of recalibration, driven by a surge in supply and evolving consumer preferences. As of the end of Q2 2025, the average annual retail lease rate declined by 1.8% year-on-year, settling at QAR 202 psm per month. The moderation in rents reflects broader shifts in market fundamentals, as landlords adjust to changing demand patterns and heightened competition.

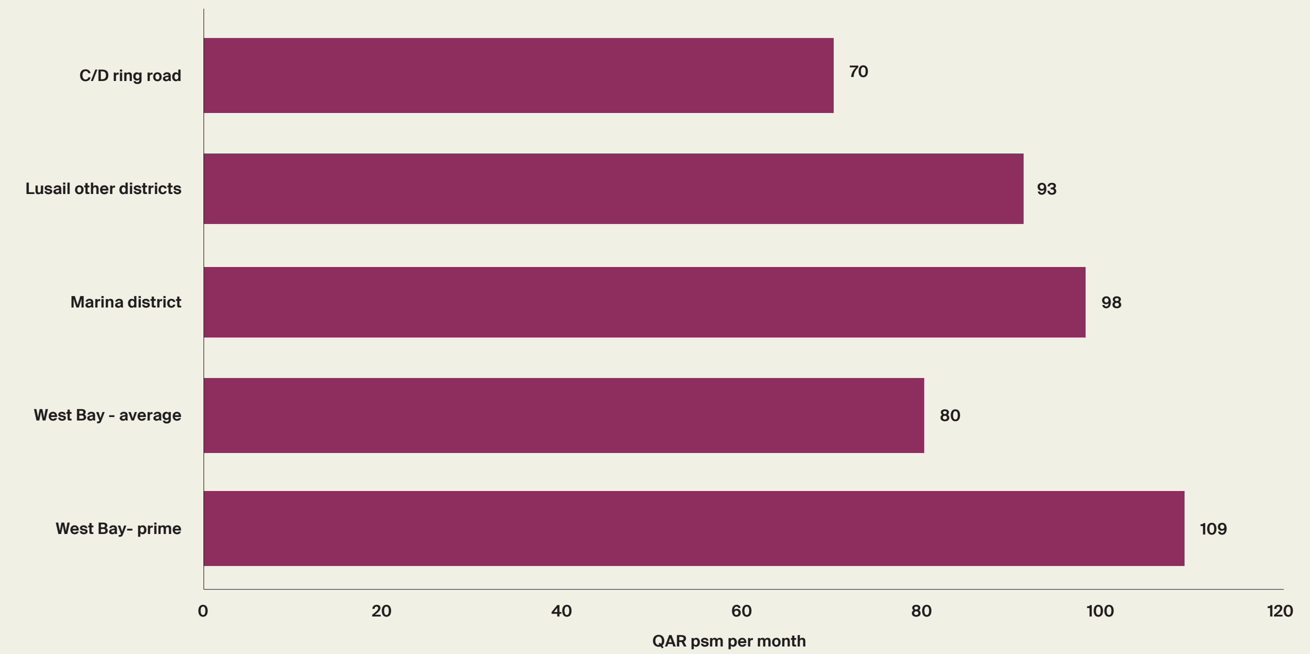
Performance across retail typologies has been mixed. Lifestyle retail prime assets continue to command the highest lease rates, averaging QAR 272 psm per month. These prime formats benefit from high footfall, strong branding, and integrated food and beverage (F&B) offerings that enhance the customer experience. Similarly, lifestyle retail and F&B units remained resilient with rents reaching QAR 231 psm per month, underpinned by consumer demand for dining and experiential destinations.

Prime malls' line stores followed with average rents of QAR 207 psm per month, while secondary malls' line stores trailed at QAR 176 psm per month, impacted by increasing vacancy pressures and discount-based leasing incentives. At the more affordable end of the spectrum.

The continued rollout of new supply, including destination retail venues in Lusail, Msheireb, and Doha Port, has increased competition amongst landlords across all segments. However, developments offering curated tenant mixes, leisure integration, and public realm enhancements have outperformed in terms of both occupancy and footfall and also remain highly sought after by retailers.

Looking forward, the retail market is expected to remain tenant-favourable in the short term. The outlook for rental growth will depend on operators' ability to adapt to evolving consumer habits and growing demand for mixed-use, walkable destinations. It will also hinge on the role of placemaking in creating vibrant, experience-led environments that can attract and retain both tenants and consumers.

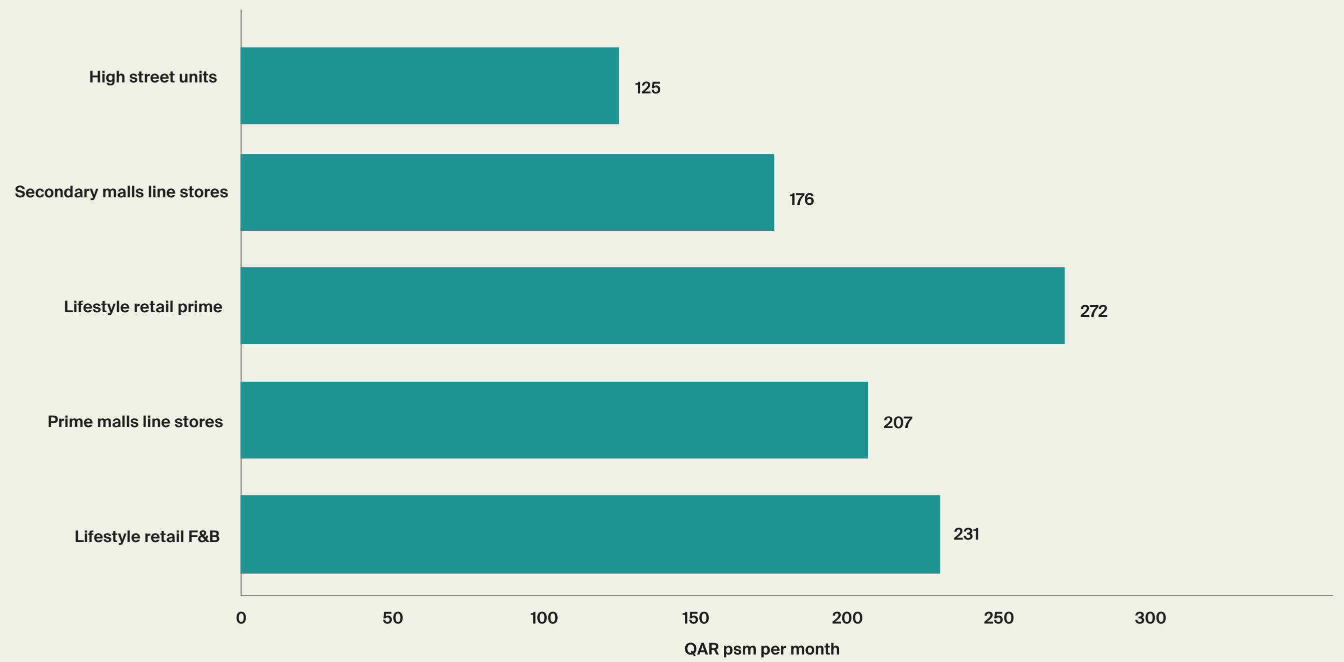
Office rental rates



Source: Knight Frank

- Average monthly Grade A office rents remained stable over the last 12 months and currently stand at QAR 82 psm.

Retail rental rates



Source: Knight Frank

- Average annual retail lease rates decreased by 1.8% over the last 12 months to QAR 202 psm per month.

Hospitality market

Qatar's hospitality sector continues to demonstrate resilience, although there has been a marginal 0.2% dip in international arrivals year-on-year as of June 2025. Total visitor numbers reached approximately 2.63 million, down slightly from 2.64 million during the same period in 2024. Nevertheless, the broader tourism landscape remains healthy, following a significant 24.6% surge in visitors in 2024, reaching 5.05 million, up from 4 million in 2023. This surge can be attributed to Qatar's expanding global air connectivity through Qatar Airways, increased regional promotional campaigns, and the continued development of cultural, retail, and sports tourism offerings.

The GCC remained the dominant source of inbound tourism, representing 35.9% of total arrivals in H1 2025, underscoring the strength of intra-regional travel. Europe, at 25.8%, and Asia, at 21.8%, also continued to serve as key international feeder markets. The strong regional and international footfall underpins Qatar's strategic goal to diversify its economy and expand its non-oil sectors.

In terms of performance metrics, the hotel sector has remained broadly stable over the past 12 months. Occupancy rates edged up to 70.7%, a modest 0.3% year-on-year increase, indicating steady demand. ADR (Average Daily Rate), however, softened slightly by 0.2%, now standing at QAR 454. Nevertheless, RevPAR (Revenue per Available Room) increased by 2.9%, reaching QAR 321, signalling moderate but sustained profitability within the sector.

The supply of rooms continues to expand, though at a more measured pace than the pre-2022 FIFA World Cup years. After adding 718 rooms in the first half of 2025, following the 1,020 keys added in 2024, the total supply has now reached 41,463 rooms. Approximately 60% of this supply consists of internationally branded hotels. Looking ahead, Qatar is on track to have 44,562 rooms by the end of 2027, aligning with its national tourism strategy.

The midscale and upscale segments of the hotel market remain the most active, driven by solid demand from regional tourists and business travellers. Meanwhile, upcoming mega-events and enhanced air connectivity courtesy of Qatar Airways continue to boost international tourism sentiment. Additionally, the country's commitment to diversifying tourism experiences through luxury shopping destinations, cultural hubs like Msheireb and Katara, and the active promotion of MICE (Meetings, Incentives, Conferences and Exhibitions) is further solidifying its position as a competitive hospitality hub in the region.

Hospitality Market Performance

ADR: y/y % change	OCCUPANCY: y/y % change	RevPAR: y/y % change
-0.2% I QAR 454	0.3% I 70.7%	2.9% I QAR 321

Source: Knight Frank, STR Global

Doha's corniche in West Bay

We like questions. If you've got one about our research,
or would like some property advice, we would love to hear from you.

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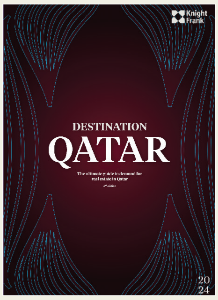

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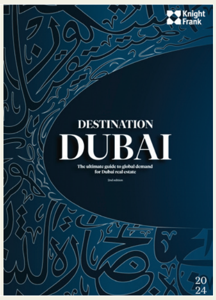

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